

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: _____

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors. _____

JUNE 2014 POST-EFFECTIVE OPERATING REPORT

JUNE 2014
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.
c/o MICHAEL S. LETO
CHIEF FINANCIAL OFFICER
1271 AVENUE OF THE AMERICAS
40th FLOOR
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP
c/o JACQUELINE MARCUS, GARRETT A. FAIL
767 FIFTH AVENUE
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: July 31, 2014

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SCHEDULE OF DEBTORS

The following entities (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. The Debtors’ Chapter 11 cases remain open as of the date hereof.

| | Case No. | Date Filed |
|---|-----------------|-------------------|
| Lehman Brothers Holdings Inc. (“LBHI”) | 08-13555 | 9/15/2008 |
| LB 745 LLC | 08-13600 | 9/16/2008 |
| PAMI Statler Arms LLC | 08-13664 | 9/23/2008 |
| Lehman Brothers Commodity Services Inc. (“LBCS”) | 08-13885 | 10/3/2008 |
| Lehman Brothers Special Financing Inc. (“LBSF”) | 08-13888 | 10/3/2008 |
| Lehman Brothers OTC Derivatives Inc. (“LOTC”) | 08-13893 | 10/3/2008 |
| Lehman Brothers Derivative Products Inc. (“LBDP”) | 08-13899 | 10/5/2008 |
| Lehman Commercial Paper Inc. (“LCPI”) | 08-13900 | 10/5/2008 |
| Lehman Brothers Commercial Corporation (“LBCC”) | 08-13901 | 10/5/2008 |
| Lehman Brothers Financial Products Inc. (“LBFP”) | 08-13902 | 10/5/2008 |
| Lehman Scottish Finance L.P. | 08-13904 | 10/5/2008 |
| CES Aviation LLC | 08-13905 | 10/5/2008 |
| CES Aviation V LLC | 08-13906 | 10/5/2008 |
| CES Aviation IX LLC | 08-13907 | 10/5/2008 |
| East Dover Limited | 08-13908 | 10/5/2008 |
| Luxembourg Residential Properties Loan Finance S.a.r.l. | 09-10108 | 1/7/2009 |
| BNC Mortgage LLC | 09-10137 | 1/9/2009 |
| LB Rose Ranch LLC | 09-10560 | 2/9/2009 |
| Structured Asset Securities Corporation | 09-10558 | 2/9/2009 |
| LB 2080 Kalakaua Owners LLC | 09-12516 | 4/23/2009 |
| Merit LLC | 09-17331 | 12/14/2009 |
| LB Somerset LLC | 09-17503 | 12/22/2009 |
| LB Preferred Somerset LLC | 09-17505 | 12/22/2009 |

The Company has established an email address to receive questions from readers regarding this presentation. The Company plans to review questions received and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome, the Company shall endeavor to post a response (maintaining the anonymity of the question origination) on the Epiq website maintained for the Company: www.lehman-docket.com. The Company assumes no obligation to respond to e-mail inquiries. Please email questions in clear language with document references to QUESTIONS@lehmanholdings.com.

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED
ENTITIES**

BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
JUNE 1, 2014 – JUNE 30, 2014

The information and data included in this June 2014 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

Other items:

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
 - Cash posted as collateral for hedging activity; and
 - Cash held at real estate owned properties or at third party real estate managers.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of June 30, 2014:

| (\$ in millions) | Debtors | | | | | Debtor- Controlled Entities | Total Debtors and Debtor- Controlled Entities |
|---|-----------------|-----------------|---------------|-----------------|-----------------|-----------------------------------|--|
| | LBHI | LBSF | LCPI | Other | Total | | |
| Reserves for Claims: | | | | | | | |
| Disputed unsecured claims ⁽¹⁾ | \$ 2,149 | \$ 2,340 | \$ 23 | \$ 1,090 | \$ 5,602 | \$ - | \$ 5,602 |
| Tax claims ⁽²⁾ | 390 | 117 | - | 4 | 511 | - | 511 |
| Distributions on Allowed Claims (not remitted) ⁽³⁾ | 105 | 55 | 327 | 7 | 494 | - | 494 |
| Secured, Admin, Priority Claims and Other ⁽⁴⁾ | 52 | 13 | 3 | 6 | 75 | - | 75 |
| Subtotal, Claims Reserves | 2,696 | 2,525 | 353 | 1,107 | 6,682 | - | 6,682 |
| Cash pledged to JPMorgan (CDA) ⁽⁵⁾ | 311 | - | - | - | 311 | - | 311 |
| Citigroup and HSBC ⁽⁶⁾ | 2,040 | - | - | - | 2,040 | - | 2,040 |
| Other ⁽⁷⁾ | 205 | 1 | 67 | 30 | 303 | 134 | 437 |
| Total | \$ 5,252 | \$ 2,526 | \$ 420 | \$ 1,137 | \$ 9,335 | \$ 134 | \$ 9,469 |

Totals may not foot due to rounding.

- (1) Represents the cash reserve for disputed unsecured claims subsequent to the fifth Plan distribution on April 3, 2014.
- (2) Represents the cash reserve for the Internal Revenue Service (“IRS”) amended proof of claim that was filed in December 2013.
- (3) Represents unpaid Plan distributions to holders of Allowed Claims of approximately \$342 million primarily related to the unsecured 7th Avenue Claim against LCPI and LBSF as described in the Bankhaus Settlement Agreement included in Exhibit 3 of the Plan and approximately \$152 million related to (i) claimants who failed to submit the proper taxpayer identification number forms and/or Office of Foreign Asset Control (“OFAC”) forms and (ii) other open items.
- (4) Includes approximately \$33 million related to post-petition intercompany payables, \$10 million related to disputed secured claims and \$32 million related to other administrative activities and other.
- (5) Represents \$311 million of cash deposited into accounts by LBHI and pledged to JPMorgan (and its affiliates, “JPM”) pursuant to paragraph 6(b) of the Collateral Disposition Agreement (“CDA”) with JPM effective March 31, 2010; related to, but not limited to, clearance exposures and derivative exposures pending resolution of these items.
- (6) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately \$2 billion and HSBC Bank PLC of \$32 million, including interest earned thereon. The Company is in discussion with HSBC Bank and commenced litigation against Citigroup regarding these deposits, among other things.
- (7) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of \$92 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of approximately \$69 million; (iii) cash collected by LCPI on behalf of a third party of \$58 million related to a loan participation agreement; (iv) cash not remitted by Debtor-Controlled Entities of \$124 million to various Non-Controlled Affiliates, pending settlements on intercompany balances, for their pro rata share of distributions;; and (v) other miscellaneous items of \$94 million.

Restricted cash balances herein do not include other cash reserves required for operating expenses, asset preservation and other commitments (e.g. unfunded loans or anticipated investments).

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Summary Schedule of Cash Receipts and Disbursements
June 1, 2014 - June 30, 2014

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

| | Debtors | | | | | Debtor-Controlled Entities | | | Total Debtors and Debtor-Controlled Entities | | | | | | | | | |
|---|---------|---------------|------|---------------|------|----------------------------|-------|---------------|--|-----------------|-------|---------------|----|-----------------|----|-----------------|----|-----------------|
| | LBHI | | LBSF | | LCPI | Other | Total | LB I Group | | Other | Total | | | | | | | |
| | \$ | 435 | \$ | 94 | \$ | 295 | \$ | 369 | \$ | 1,194 | \$ | 80 | \$ | 1,007 | \$ | 1,087 | \$ | 2,281 |
| Beginning Free Cash and Investments (6/1/14) | | | | | | | | | | | | | | | | | | |
| Restricted Cash | | | | | | | | | | | | | | | | | | |
| Beginning Total Cash and Investments | | 5,720 | | 2,620 | | 708 | | 1,513 | | 10,562 | | 83 | | 1,137 | | 1,220 | | 11,782 |
| Sources of Cash | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate | | 3 | | - | | 7 | | - | | 10 | | - | | 26 | | 26 | | 36 |
| Loans (Corporate and Residential) | | 1 | | - | | 7 | | - | | 8 | | - | | 15 | | 15 | | 23 |
| Private Equity / Principal Investing | | 2 | | - | | 4 | | - | | 7 | | 143 | | 2 | | 144 | | 151 |
| Derivatives | | - | | 151 | | - | | 7 | | 158 | | - | | - | | - | | 158 |
| Receipts from Affiliates | | 245 | | 6 | | 24 | | 36 | | 312 | | 0 | | 7 | | 7 | | 319 |
| Other | | (18) | | 0 | | (12) | | (0) | | (31) | | 0 | | 1 | | 1 | | (30) |
| Total Sources of Cash | | 233 | | 158 | | 30 | | 42 | | 463 | | 143 | | 51 | | 194 | | 657 |
| Uses of Cash | | | | | | | | | | | | | | | | | | |
| Non-Operating | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate | | (1) | | - | | (2) | | - | | (2) | | - | | (6) | | (6) | | (8) |
| Loans (Corporate and Residential) | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| Private Equity / Principal Investing | | - | | - | | - | | - | | - | | (0) | | - | | (0) | | (0) |
| Derivatives | | - | | (3) | | - | | - | | (3) | | - | | - | | - | | (3) |
| Payments to Creditors | | (0) | | - | | (6) | | (6) | | (6) | | - | | (0) | | (0) | | (6) |
| Other | | (0) | | - | | - | | - | | (0) | | 0 | | (0) | | 0 | | (0) |
| Operating Expenses | | (26) | | (0) | | (1) | | (0) | | (27) | | (0) | | (5) | | (5) | | (32) |
| Total Uses of Cash | | (27) | | (3) | | (2) | | (6) | | (38) | | 0 | | (11) | | (11) | | (49) |
| Net Cash Flow | | 206 | | 155 | | 28 | | 36 | | 425 | | 143 | | 40 | | 183 | | 608 |
| Inter-Company Transfers, Net | | (14) | | (38) | | (18) | | 59 | | (10) | | (5) | | 15 | | 10 | | (0) |
| Other | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| Loan Agencies, Net | | (0) | | - | | 7 | | - | | 7 | | - | | - | | - | | 7 |
| FX Fluctuation | | 1 | | 0 | | 0 | | 0 | | 1 | | 0 | | 1 | | 1 | | 2 |
| Ending Total Cash and Investments | | 5,912 | | 2,738 | | 725 | | 1,609 | | 10,984 | | 221 | | 1,193 | | 1,414 | | 12,398 |
| Restricted Cash | | (5,252) | | (2,526) | | (420) | | (1,137) | | (9,335) | | (3) | | (131) | | (134) | | (9,469) |
| Ending Free Cash and Investments (6/30/14) | | \$ 660 | | \$ 212 | | \$ 305 | | \$ 471 | | \$ 1,648 | | \$ 218 | | \$ 1,062 | | \$ 1,280 | | \$ 2,929 |

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
 Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
June 1, 2014 - June 30, 2014

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

| | Debtors | | | | | Debtor-Controlled Entities | | | Total Debtors and Debtor-Controlled Entities |
|--|--------------|--------------|------------|--------------|---------------|----------------------------|--------------|--------------|--|
| | LBHI | LBSF | LCPI | Other | Total | LB I Group | Other | Total | |
| | \$ 435 | \$ 94 | \$ 295 | \$ 369 | \$ 1,194 | \$ 80 | \$ 1,007 | \$ 1,087 | \$ 2,281 |
| Beginning Free Cash and Investments (6/1/14) | | | | | | | | | |
| Restricted Cash | 5,285 | 2,526 | 414 | 1,144 | 9,368 | 3 | 129 | 133 | 9,500 |
| Beginning Total Cash and Investments | 5,720 | 2,620 | 708 | 1,513 | 10,562 | 83 | 1,137 | 1,220 | 11,782 |

Sources of Cash

| | | | | | | | | | |
|---|-----|------------|------------|-----------|-----------|------------|------------|-----------|------------|
| Commercial Real Estate | | | | | | | | | |
| Principal | (a) | 2 | - | 6 | - | 8 | - | 26 | 26 |
| Interest | | 0 | - | 2 | - | 2 | - | - | 2 |
| Loans (Corporate and Residential) | | | | | | | | | |
| Principal | | 1 | - | 7 | - | 7 | - | 15 | 15 |
| Interest | | 0 | - | 0 | - | 0 | - | 0 | 0 |
| Private Equity / Principal Investing | | | | | | | | | |
| Principal | (b) | 1 | - | 2 | - | 3 | 143 | 2 | 144 |
| Interest and Dividends | | 2 | - | 2 | - | 4 | - | - | 4 |
| Derivatives | | | | | | | | | |
| Return / (Posting) of Hedging Collateral, net | | - | 6 | - | - | 6 | - | - | 6 |
| Collections from Live / Terminated Trades | (c) | - | 145 | - | 7 | 152 | - | - | 152 |
| Receipts from Affiliates | | | | | | | | | |
| Distributions from Non-Controlled Affiliates | (d) | 245 | 6 | 24 | 36 | 312 | 0 | 7 | 7 |
| Other | | | | | | | | | |
| Other | (e) | (18) | 0 | (12) | (0) | (31) | 0 | 1 | 1 |
| Total Sources of Cash | | 233 | 158 | 30 | 42 | 463 | 143 | 51 | 194 |
| | | | | | | | | | 657 |

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
June 1, 2014 - June 30, 2014

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

| | Debtors | | | | | Debtor-Controlled Entities | | | Total Debtors and Debtor-Controlled Entities | | | | | | | | | |
|---|-------------|--------------|--------------|------------|--------------|----------------------------|-------------|--------------|--|---------------|-----------|------------|-----------|--------------|-----------|--------------|-----------|--------------|
| | LBHI | LBSF | LCPI | Other | Total | LB I Group | Other | Total | | | | | | | | | | |
| Uses of Cash | | | | | | | | | | | | | | | | | | |
| Non-Operating | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate | | | | | | | | | | | | | | | | | | |
| Preservation of Assets | (1) | - | (2) | - | (2) | - | (6) | (6) | (8) | | | | | | | | | |
| Loans (Corporate and Residential) | | | | | | | | | | | | | | | | | | |
| Preservation of Assets | - | - | - | - | - | - | - | - | - | | | | | | | | | |
| Private Equity / Principal Investing | | | | | | | | | | | | | | | | | | |
| Capital Calls | - | - | - | - | - | (0) | - | (0) | (0) | | | | | | | | | |
| Derivatives | | | | | | | | | | | | | | | | | | |
| Payments on Live Trades | - | (3) | - | - | (3) | - | - | - | (3) | | | | | | | | | |
| Payments to Creditors | | | | | | | | | | | | | | | | | | |
| Payments to Creditors | - | - | - | (6) | (6) | - | - | - | (6) | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | |
| Other | (0) | - | - | - | (0) | 0 | (0) | 0 | (0) | | | | | | | | | |
| Operating Expenses | (f) | | | | | | | | | | | | | | | | | |
| Compensation and Benefits | (g) | (6) | - | - | (6) | - | (2) | (2) | (8) | | | | | | | | | |
| Professional Fees | (14) | - | (0) | - | (14) | (0) | (1) | (1) | (16) | | | | | | | | | |
| Other | (h) | (6) | (0) | (0) | (7) | (0) | (1) | (1) | (8) | | | | | | | | | |
| Total Uses of Cash | (27) | (3) | (2) | (6) | (38) | 0 | (11) | (11) | (49) | | | | | | | | | |
| Net Cash Flow | 206 | 155 | 28 | 36 | 425 | 143 | 40 | 183 | 608 | | | | | | | | | |
| Inter-Company Receipts | (i) | 74 | 4 | 7 | 63 | 148 | 0 | 26 | 26 | | | | | | | | | |
| Inter-Company Disbursements | (i) | (88) | (42) | (24) | (4) | (158) | (5) | (11) | (16) | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | - | | | | | | | | | |
| Loan Agencies, Net | (0) | - | 7 | - | 7 | - | - | - | 7 | | | | | | | | | |
| FX Fluctuation | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 2 | | | | | | | | | |
| Ending Total Cash and Investments | (j) | 5,912 | 2,738 | 725 | 1,609 | 10,984 | 221 | 1,193 | 1,414 | 12,398 | | | | | | | | |
| Restricted Cash | | (5,252) | (2,526) | (420) | (1,137) | (9,335) | (3) | (131) | (134) | (9,469) | | | | | | | | |
| Ending Free Cash and Investments (6/30/14) | \$ | 660 | \$ | 212 | \$ | 305 | \$ | 471 | \$ | 1,648 | \$ | 218 | \$ | 1,062 | \$ | 1,280 | \$ | 2,929 |

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements

June 1, 2014 - June 30, 2014

Unaudited (\$)

Notes:

- (a) Cash collections include \$13 million at Property Asset Management Inc., a Debtor-Controlled Entity, primarily from the sale of land in California.
- (b) Cash collections at LB I Group primarily include proceeds from the monetization of various LP stakes in private equity and hedge funds.
- (c) Collections from Live / Terminated Trades are shown net of purchases of SPV notes.
- (d) Distributions from Non-Controlled Affiliates primarily include distributions from (i) Lehman Brothers Commercial Corp. Asia Ltd of \$146 million and \$8 million to LBHI and LBCC, respectively, (ii) Lehman Brothers Asia Capital of \$5 million, \$24 million and \$27 million to LBSF, LCPI and LBCC, respectively, (iii) Lehman Brothers Finance SA of \$53 million and \$7 million to LBHI and Other Debtor-Controlled Entities, respectively, and (iv) Lehman Brothers Bankhaus AG of \$45 million to LBHI, which was subsequently transferred to LCPI (\$4 million), LBCC (\$17 million) and LBCS (\$24 million) in June 2014.
- (e) Primarily includes net return / (posting) of collateral for foreign currency hedging.
- (f) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.
- (g) Compensation and Benefits includes the Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).
- (h) Operating Expenses - Other includes expenses related to outsourced services, IT, occupancy, taxes, insurance and other general administrative items.
- (i) Inter-Company Receipts and Disbursements primarily include partial repayments on intercompany balances, settlement of costs allocation and other administrative activities.
- (j) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$259 million of cash balances at Debtor-Controlled Entities in Asia.

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED
ENTITIES**

BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
JUNE 1, 2014 – JUNE 30, 2014

The information and data included in this June 2014 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Debtor-Controlled Entities

Schedule of Professional Fee and Expense Disbursements

June 2014 (a)

Unaudited (\$ in thousands)

| | | Jun-2014 | Year-to-date |
|--|--|------------------|-------------------|
| Alvarez & Marsal LLC | Interim Management | \$ 2,671 | \$ 19,868 |
| Professional Fees | | | |
| Akerman Senterfitt & Eidson PA | Special Counsel | 141 (b) | 423 |
| Arnold & Porter, LLP | Special Counsel | 38 (b) | 1,645 |
| Bickel & Brewer | Special Counsel - Real Estate | - | 1,008 |
| Bingham McCutchen, LLP | Special Counsel - Tax | 587 (b) | 1,398 |
| Curtis, Mallet-Provost, Colt & Mosle LLP | Conflicts and Litigation Counsel | 1,021 | 5,155 |
| Dechert LLP | Special Counsel - Real Estate | 14 | 122 |
| Epiq Bankruptcy Solutions LLC | Claims Management and Noticing Agent | 323 | 1,676 |
| FTI Consulting Inc | Financial Advisor - Creditors & Tax | - | 291 |
| Jones Day | Special Counsel - Asia and Domestic Litigation | 622 | 5,661 |
| Milbank Tweed Hadley & McCloy LLP | UCC Litigation Committee and Litigation Counsel | 187 | 2,526 |
| Pachulski Stang Ziehl & Jones | Special Counsel - Real Estate | - | 468 |
| Paul, Hastings, Janofsky & Walker LLP | Special Counsel - Real Estate | 262 | 580 |
| Quinn Emanuel Urquhart Oliver & Hedges, LLP | UCC Litigation Committee and Litigation Counsel | 2,070 | 9,826 |
| Reilly Pozner LLP | Special Counsel - Mortgage Litigation and Claims | 46 | 438 |
| Skadden, Arps, Slate, Meagher & Flom LLP | Board of Directors Counsel | 576 | 1,369 |
| Weil Gotshal & Manges LLP | Lead Counsel - Debtors | 3,743 (b) | 32,127 |
| Wollmuth Maher & Deutsch LLP | Special Counsel - Derivatives | 406 | 1,396 |
| Paul Weiss Rifkind Wharton & Garrison | Special Counsel | 6 | 1,524 |
| US Trustee Quarterly Fees | | - | 600 |
| Other Professionals - Legal | Various | 4,835 (c) | 22,722 |
| Other Professionals - Non-Legal | Various | 720 (c) | 6,329 |
| Other Professionals - Asia | Various | 236 (c) | 1,067 |
| Sub-total Professional Fees | | <u>15,833</u> | <u>98,352</u> |
| Total Professional Fees (including A&M) | | 18,503 | 118,220 |
| Alvarez & Marsal LLC | Incentive fees | - | 17,136 (d) |
| Houlihan Lokey Howard & Zukin Capital Inc. | Incentive fees | - | 3,443 (d) |
| Total Incentive Fees | | - | 20,579 |
| Total Professional and Incentive Fees | | \$ 18,503 | \$ 138,800 |

(a) The Company has incurred additional professional fee expenses that will be reflected in future Operating Reports.

(b) Reflects professional fees incurred for multiple months.

(c) Other Professionals reflect disbursements, including expert witnesses fees, to over 100 vendors.

(d) Reflects incentive fees related to the Fifth Distribution to holders of Allowed Claims. Refer to Docket No. 32470 and Docket No. 32155 for additional information on Alvarez & Marsal and Houlihan Lokey incentive fees, respectively.